

106TH CONGRESS
2D SESSION

H. R. 5317

To increase accountability for Government spending and to reduce wasteful Government spending.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 2000

Mr. DEFAZIO introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Commerce, Armed Services, Science, Resources, Banking and Financial Services, International Relations, Veterans' Affairs, and Intelligence (Permanent Select), for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To increase accountability for Government spending and to reduce wasteful Government spending.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Comprehensive Fiscal Responsibility and Accountability
6 Act of 2000”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INCREASED ACCOUNTABILITY AND REDUCTION IN MEDICARE WASTE AND FRAUD

- Sec. 101. Increased medical reviews and antifraud activities.
- Sec. 102. Expansion of medicare senior waste patrol nationwide.
- Sec. 103. Application of inherent reasonableness to all Part B services other than physicians' services.
- Sec. 104. Implementation of commercial claims auditing systems.

TITLE II—INCREASED ACCOUNTABILITY AND REDUCTION OF WASTEFUL DEFENSE SPENDING

- Sec. 201. Cancellation of F-22 aircraft program.
- Sec. 202. Cancellation of Comanche helicopter program.
- Sec. 203. Cancellation of Crusader artillery program.
- Sec. 204. Limitation on procurement of Virginia class attack submarines.
- Sec. 205. Termination of production of Trident D5 missiles.
- Sec. 206. Reduction in nuclear delivery systems within overall limits of START II.
- Sec. 207. Creation of common NATO airlift capability and reduction of United States costs for C-17 aircraft.
- Sec. 208. Deferral of procurement of additional C-130 tactical airlift planes.
- Sec. 209. Reduction in requirements for Air Force and Navy pilots in nonflying positions.
- Sec. 210. Reduction in number of officers so as to return to enlisted-to-officer ratio in existence in 1989.
- Sec. 211. Placement of Selective Service System in "deep standby" status.
- Sec. 212. End of taxpayer support for defense industry mergers.
- Sec. 213. Reduction of United States support for weapons sales abroad by eliminating future assistance under the Foreign Military Financing program.
- Sec. 214. Limitation on proposed increases for National Missile Defense to fiscal year 2000 levels.
- Sec. 215. Reduction of Central Intelligence Agency budget by 10 percent.

TITLE III—REDUCTION AND REFORM OF ANTIENVIRONMENTAL SPENDING

Subtitle A—Program Terminations and Fees

- Sec. 301. Nuclear Energy Research Initiative.
- Sec. 302. National Ignition Facility.
- Sec. 303. Tokamak Fusion Reactors.
- Sec. 304. Diesel engine research.
- Sec. 305. Nuclear waste fund fee.

Subtitle B—Mining Provisions

- Sec. 311. Definitions.
- Sec. 312. Royalties.
- Sec. 313. Limitation on patent issuance.
- Sec. 314. Mining claim maintenance requirements.
- Sec. 315. Savings clause.

TITLE IV—AMENDMENTS OF INTERNAL REVENUE CODE OF 1986

- Sec. 401. Repeal of exclusion of certain income of foreign sales corporations.
 Sec. 402. Denial of deduction for payments of excessive compensation.
 Sec. 403. Disallowance of deductions for advertising and promotional expenses relating to tobacco product use.
 Sec. 404. Source of income from certain sales of inventory property.

TITLE V—MISCELLANEOUS PROVISIONS TO REDUCE WASTEFUL
AND INEFFICIENT SPENDING

- Sec. 501. International space station.
 Sec. 502. Overseas Private Investment Corporation.
 Sec. 503. Prohibition on provision of new credit by the Export-Import Bank of the United States.
 Sec. 504. Trade and Development Agency.
 Sec. 505. United States international broadcasting.
 Sec. 506. Joint procurement of pharmaceuticals by the Department of Defense and the Department of Veterans Affairs.

1 **TITLE I—INCREASED ACCOUNT-**
 2 **ABILITY AND REDUCTION IN**
 3 **MEDICARE WASTE AND**
 4 **FRAUD**

5 **SEC. 101. INCREASED MEDICAL REVIEWS AND ANTIFRAUD**
 6 **ACTIVITIES.**

7 Section 1893(d) of the Social Security Act (42 U.S.C.
 8 1395ddd(d)) is amended by inserting after paragraph (3)
 9 the following:

10 “(4) In the case of the year 2001 and each sub-
 11 sequent year, procedures to ensure that—

12 “(A) the number of medical reviews, utili-
 13 zation reviews, and fraud reviews in a fiscal
 14 year of providers of services and other individ-
 15 uals and entities furnishing items and services
 16 for which payment may be made under this title
 17 (as a percentage of total claims paid) is equal

1 to at least twice the number of such reviews
2 that were conducted in fiscal year 1999;

3 “(B) the number of provider cost reports
4 audited in a fiscal year is equal to at least—

5 “(i) 15 percent of those submitted by
6 a home health agency or a skilled nursing
7 facility; and

8 “(ii) twice the number of such reports
9 that were audited in fiscal year 1999 for
10 those submitted by any other provider of
11 services or any other individual or entity
12 furnishing items and services for which
13 payment may be made under this title; and

14 “(C) in determining which providers of
15 services, individuals, entities, or cost reports to
16 review or audit, priority is placed on providers,
17 individuals, entities, and areas that the Sec-
18 retary determines are subject to abuse and
19 most likely to result in mispayment or overpay-
20 ment recoveries.”.

21 **SEC. 102. EXPANSION OF MEDICARE SENIOR WASTE PA-**
22 **TROL NATIONWIDE.**

23 There are authorized to be appropriated \$25,000,000
24 in fiscal year 2002, and such sums as are necessary for
25 fiscal years 2003 through 2005, for the purpose of car-

1 rying out, and expanding nationwide, the Health Care
 2 Anti-Fraud, Waste and Abuse Community Volunteer
 3 Demonstration Projects conducted by the Administration
 4 on Aging pursuant to the Omnibus Consolidated Appro-
 5 priations Act, 1997 (Public Law 104–208).

6 **SEC. 103. APPLICATION OF INHERENT REASONABLENESS**
 7 **TO ALL PART B SERVICES OTHER THAN PHY-**
 8 **SICIANS' SERVICES.**

9 (a) REPEAL OF CERTAIN PROVISIONS OF THE BAL-
 10 ANCED BUDGET ACT OF 1997.—

11 (1) REPEAL.—Section 4316 of the Balanced
 12 Budget Act of 1997 (Public Law 105–33; 111 Stat.
 13 390), and the amendments made by such section,
 14 are repealed effective August 5, 1997.

15 (2) APPLICABILITY.—Effective August 5, 1997,
 16 the Social Security Act shall be applied and adminis-
 17 tered as if section 4316 of the Balanced Budget Act
 18 of 1997 (Public Law 105–33; 111 Stat. 390), and
 19 the amendments made by such section, had not been
 20 enacted.

21 (b) APPLICATION OF INHERENT REASONABLENESS
 22 TO ALL PART B SERVICES OTHER THAN PHYSICIANS'
 23 SERVICES.—

1 (1) IN GENERAL.—Section 1842(b)(8) of the
 2 Social Security Act (42 U.S.C. 1395u(b)(8)) is
 3 amended to read as follows:

4 “(8) The Secretary shall describe by regulation the
 5 factors to be used in determining the cases (of particular
 6 items or services) in which the application of this part
 7 (other than to physicians’ services paid under section
 8 1848) results in the determination of an amount that, be-
 9 cause of its being grossly excessive or grossly deficient,
 10 is not inherently reasonable, and provide in those cases
 11 for the factors to be considered in establishing an amount
 12 that is realistic and equitable.”.

13 (2) EFFECTIVE DATE.—The amendment made
 14 by this subsection shall take effect August 5, 1997.

15 **SEC. 104. IMPLEMENTATION OF COMMERCIAL CLAIMS AU-**
 16 **DITING SYSTEMS.**

17 (a) COMMERCIAL CLAIMS AUDITING SYSTEMS.—

18 (1) IN GENERAL.—Not later than 90 days after
 19 the date of enactment of this Act, the Secretary
 20 shall require medicare carriers to use commercial
 21 claims auditing systems in the processing of claims
 22 under part B of the medicare program under title
 23 XVIII of the Social Security Act (42 U.S.C. 1395j
 24 et seq.) for the purpose of identifying billing errors
 25 and abuses.

1 (2) SUPPLEMENT TO OTHER TECHNOLOGY.—

2 Commercial claims auditing systems required under
3 paragraph (1) shall be used as a supplement to any
4 other information technology used by medicare car-
5 riers in processing claims under the medicare pro-
6 gram.

7 (3) UNIFORMITY.—In order to ensure uni-
8 formity in processing claims under the medicare pro-
9 gram, the Secretary may require that medicare car-
10 riers utilize 1 or more common commercial claims
11 auditing systems, provided that the selection of such
12 system or systems by the Secretary shall be—

13 (A) after due consideration of competing
14 alternative systems; but

15 (B) without regard to any provision of law
16 that requires the use of competitive procedures
17 (as defined in section 4 of the Office of Federal
18 Procurement Policy Act (41 U.S.C. 403)) or
19 the publication of notice of proposed procure-
20 ments.

21 (4) IMPLEMENTATION.—Commercial claims au-
22 diting systems required under paragraph (1) shall be
23 implemented by all medicare carriers by not later
24 than 180 days after the date of enactment of this
25 Act.

1 (b) MINIMUM SOFTWARE REQUIREMENTS.—Any
2 commercial claims auditing system required to be imple-
3 mented pursuant to subsection (a) shall, at a minimum—

4 (1) be a commercial item;

5 (2) surpass the capability of systems currently
6 used in the processing of claims under part B of the
7 medicare program; and

8 (3) be modifiable to—

9 (A) satisfy pertinent statutory require-
10 ments of the medicare program; and

11 (B) conform to policies of the Secretary re-
12 garding claims processing under such program.

13 (c) DISCLOSURE.—

14 (1) IN GENERAL.—Except as provided in para-
15 graph (2), notwithstanding any other provision of
16 law, any information technology (or data related
17 thereto) utilized by medicare carriers in establishing
18 a commercial claims auditing system pursuant to
19 subsection (a) shall not be subject to public disclo-
20 sure.

21 (2) AUTHORIZED DISCLOSURE.—The Secretary
22 may authorize the public disclosure of the informa-
23 tion described in paragraph (1) if the Secretary de-
24 termines that—

1 (A) release of such information is in the
2 public interest; and

3 (B) the information to be released is not
4 protected from disclosure under section 552(b)
5 of title 5, United States Code.

6 (d) DEFINITIONS.—In this section—

7 (1) COMMERCIAL CLAIMS AUDITING SYSTEM.—
8 The term “commercial claims auditing system”
9 means a commercial specialized auditing system that
10 includes edits which identify inappropriately coded
11 health care claims.

12 (2) COMMERCIAL ITEM.—The term “commer-
13 cial item” has the meaning given such term in sec-
14 tion 4 of the Office of Federal Procurement Policy
15 Act (41 U.S.C. 403).

16 (3) INFORMATION TECHNOLOGY.—The term
17 “information technology” has the meaning given
18 such term in subparagraphs (A) and (B) of section
19 5002(3) of the Information Technology Management
20 Reform Act of 1996 (40 U.S.C. 1401(3)), were such
21 information technology to be acquired by an execu-
22 tive agency.

23 (4) MEDICARE CARRIER.—The term “medicare
24 carrier” means an entity that has a contract with

1 the Secretary pursuant to section 1842(a) of the So-
2 cial Security Act (42 U.S.C. 1395u(a)).

3 (5) SECRETARY.—The term “Secretary” means
4 the Secretary of Health and Human Services.

5 **TITLE II—INCREASED ACCOUNT-**
6 **ABILITY AND REDUCTION OF**
7 **WASTEFUL DEFENSE SPEND-**
8 **ING**

9 **SEC. 201. CANCELLATION OF F-22 AIRCRAFT PROGRAM.**

10 The Secretary of the Air Force shall cancel the F-
11 22 aircraft program. No funds may be obligated for that
12 program after the date of the enactment of this Act.

13 **SEC. 202. CANCELLATION OF COMANCHE HELICOPTER**
14 **PROGRAM.**

15 The Secretary of the Army shall cancel the Comanche
16 helicopter program. No funds may be obligated for that
17 program after the date of the enactment of this Act.

18 **SEC. 203. CANCELLATION OF CRUSADER ARTILLERY PRO-**
19 **GRAM.**

20 The Secretary of the Army shall cancel the Crusader
21 artillery program. No funds may be obligated for that pro-
22 gram after the date of the enactment of this Act.

1 **SEC. 204. LIMITATION ON PROCUREMENT OF VIRGINIA**
2 **CLASS ATTACK SUBMARINES.**

3 Through fiscal year 2009, the Secretary of the Navy
4 may enter into contracts for the procurement of no more
5 than eight Virginia class submarines (including contracts
6 entered into before the date of the enactment of this Act).

7 **SEC. 205. TERMINATION OF PRODUCTION OF TRIDENT D5**
8 **MISSILES.**

9 No funds may be obligated after the date of the en-
10 actment of this Act for production of Trident D5 missiles.

11 **SEC. 206. REDUCTION IN NUCLEAR DELIVERY SYSTEMS**
12 **WITHIN OVERALL LIMITS OF START II.**

13 The President shall take such steps as necessary to
14 reduce the nuclear delivery systems of the United States
15 so as to bring the number of such systems within the over-
16 all START II limits. For purposes of this section, the term
17 “overall START II limits” means the limitations on nu-
18 clear delivery systems that would be in effect under the
19 START II Treaty, if ratified.

20 **SEC. 207. CREATION OF COMMON NATO AIRLIFT CAPA-**
21 **BILITY AND REDUCTION OF UNITED STATES**
22 **COSTS FOR C-17 AIRCRAFT.**

23 The Secretary of Defense shall seek to reach an
24 agreement with the other member nations of the North
25 Atlantic Treaty Organization to establish a common
26 NATO airlift capability consisting of 20 C-17 aircraft

1 with a cost-sharing arrangement similar to that for the
2 common NATO AWACS fleet. The 20 C-17 aircraft pro-
3 grammed by the Air Force for procurement in fiscal years
4 2002 and 2003 shall be transferred to NATO for that
5 common NATO airlift capability upon such an agreement
6 being entered into.

7 **SEC. 208. DEFERRAL OF PROCUREMENT OF ADDITIONAL C-**
8 **130 TACTICAL AIRLIFT PLANES.**

9 The Secretary of the Air Force may not enter into
10 a contract for procurement of additional C-130 aircraft
11 for fiscal years 2001 through 2005.

12 **SEC. 209. REDUCTION IN REQUIREMENTS FOR AIR FORCE**
13 **AND NAVY PILOTS IN NONFLYING POSITIONS.**

14 The Secretary of the Air Force and the Secretary of
15 the Navy shall each evaluate nonflying positions in the Air
16 Force and the Navy, respectively, that are currently re-
17 quired to be held by pilots and, to the maximum extent
18 practicable, shall modify the qualifications for those posi-
19 tions to reduce the requirements for pilots for those posi-
20 tions.

21 **SEC. 210. REDUCTION IN NUMBER OF OFFICERS SO AS TO**
22 **RETURN TO ENLISTED-TO-OFFICER RATIO IN**
23 **EXISTENCE IN 1989.**

24 The Secretary of Defense shall implement a program
25 to reduce the ratio of enlisted-to-officer personnel of each

1 of the Army, Navy, Air Force, and Marine Corps to a ratio
 2 of at least six-to-one by not later than January 1, 2005.
 3 The Secretary shall carry out that program through re-
 4 ductions in officer promotions to general and flag officer
 5 grades and through reductions in the number of officers
 6 in pay grades O-4, O-5, and O-6 through voluntary pro-
 7 grams under existing provisions of law, including tem-
 8 porary early retirement authority, voluntary separation in-
 9 centive, and the special separation benefit.

10 **SEC. 211. PLACEMENT OF SELECTIVE SERVICE SYSTEM IN**
 11 **“DEEP STANDBY” STATUS.**

12 (a) RESTRICTION OF REGISTRATION REQUIREMENT
 13 TO PERIODS OF NATIONAL EMERGENCIES.—(1) Section
 14 3(a) of the Military Selective Service Act (50 U.S.C. App.
 15 453(a)) is amended by inserting after “this title,” the fol-
 16 lowing: “during any period in which a declaration of na-
 17 tional emergency is in effect,”.

18 (2) Section 3 of such Act (50 U.S.C. App. 453) is
 19 further amended by adding at the end the following new
 20 subsections:

21 “(c) The President shall have the authority to declare
 22 a period of national emergency during which the registra-
 23 tion requirements of subsection (a) shall apply. Subject
 24 to subsection (d), the President shall provide for the

1 prompt termination of the declaration of national emer-
2 gency upon the termination of the national emergency.

3 “(d) A declaration of national emergency under sub-
4 section (c) shall terminate upon the expiration of a 10-
5 day period of continuous session of Congress after the
6 date of the declaration unless Congress enacts a law before
7 the end of that period ratifying that specific declaration.
8 For purposes of this subsection, the continuity of a session
9 of Congress is broken only by an adjournment of the Con-
10 gress sine die, and the days on which either House is not
11 in session because of an adjournment of more than three
12 days to a day certain are excluded in the computation of
13 the 10-day period.”.

14 (3) Section 12 of such Act (50 U.S.C. App. 462) is
15 amended by adding at the end the following new sub-
16 section:

17 “(h) In addition to the exception provided by sub-
18 section (g), a person may not be denied a right, privilege,
19 benefit, or employment position under Federal law on the
20 grounds that the person failed to present himself for and
21 submit to registration under section 3 before the date of
22 the enactment of this subsection.”.

23 (b) SUSPENSION OF ACTIVITIES OF SELECTIVE
24 SERVICE SYSTEM BOARDS.—Section 17 of such Act (50

1 U.S.C. App. 467) is amended by adding at the end the
2 following new subsection:

3 “(d) Except during any period in which a declaration
4 of national emergency is in effect under section 3—

5 “(1) the President may not appoint a person as
6 a member of a civilian local board, civilian appeal
7 board, or similar local agency of the Selective Serv-
8 ice System; and

9 “(2) any such board established under section
10 10(b)(3) may not meet.”.

11 (c) REPORT ON STANDBY REGISTRATION PROGRAM
12 FOR USE DURING NATIONAL EMERGENCIES.—Not later
13 than 150 days after the date of the enactment of this Act,
14 the Director of the Selective Service System shall submit
15 to Congress a report detailing a standby emergency man-
16 power mobilization program to be used by the Selective
17 Service System during periods in which a declaration of
18 national emergency is in effect for the registration of per-
19 sons who would be subject to registration under section
20 3 of the Military Selective Service Act (50 U.S.C. App.
21 453) during such a period. The report shall include an
22 estimate of the cost to implement and operate the standby
23 program and an evaluation of the feasibility of using exist-
24 ing and emerging information systems available to the

1 Government to improve the effectiveness of any registra-
2 tion requirements.

3 **SEC. 212. END OF TAXPAYER SUPPORT FOR DEFENSE IN-**
4 **DUSTRY MERGERS.**

5 Expenses incurred by a defense contractor related to
6 a corporate merger may not be considered to be an allow-
7 able cost under a Department of Defense contract, and
8 no funds appropriated to the Department of Defense may
9 be used to reimburse a contractor for any such expense.

10 **SEC. 213. REDUCTION OF UNITED STATES SUPPORT FOR**
11 **WEAPONS SALES ABROAD BY ELIMINATING**
12 **FUTURE ASSISTANCE UNDER THE FOREIGN**
13 **MILITARY FINANCING PROGRAM.**

14 After the date of the enactment of this Act, no new
15 loan, grant, or other assistance may be provided under the
16 “Foreign Military Financing Program” account under
17 section 23 of the Arms Export Control Act (22 U.S.C.
18 2763).

19 **SEC. 214. LIMITATION ON PROPOSED INCREASES FOR NA-**
20 **TIONAL MISSILE DEFENSE TO FISCAL YEAR**
21 **2000 LEVELS.**

22 The amount appropriated for the National Missile
23 Defense program of the Department of Defense for any
24 fiscal year may not exceed the amount appropriated for
25 that program for fiscal year 2000, adjusted for inflation.

1 **SEC. 215. REDUCTION OF CENTRAL INTELLIGENCE AGENCY**

2 **BUDGET BY 10 PERCENT.**

3 The total amount obligated for programs and activi-
4 ties of the Central Intelligence Agency for fiscal year 2001
5 may not exceed 90 percent of the total amount obligated
6 for programs and activities of the Central Intelligence
7 Agency for fiscal year 2000.

8 **TITLE III—REDUCTION AND RE-**
9 **FORM OF ANTIENVIRONMEN**
10 **TAL SPENDING**

11 **Subtitle A—Program Terminations**
12 **and Fees**

13 **SEC. 301. NUCLEAR ENERGY RESEARCH INITIATIVE.**

14 The Department of Energy shall not obligate any fur-
15 ther funding for the Nuclear Energy Research Initiative.

16 **SEC. 302. NATIONAL IGNITION FACILITY.**

17 The Department of Energy shall not obligate any fur-
18 ther funding for the National Ignition Facility.

19 **SEC. 303. TOKAMAK FUSION REACTORS.**

20 The Department of Energy shall not obligate any fur-
21 ther funding for Tokamak fusion reactors.

22 **SEC. 304. DIESEL ENGINE RESEARCH.**

23 The Department of Energy shall not obligate any fur-
24 ther funding for research on diesel engines for cars and
25 light trucks.

1 **SEC. 305. NUCLEAR WASTE FUND FEE.**

2 (a) FEE ADJUSTMENT.—Section 302(a)(2) of the
3 Nuclear Waste Policy Act of 1982 is amended by adding
4 at the end the following new sentence: “The Secretary
5 shall adjust the fee annually for inflation.”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 subsection (a) shall take effect 90 days after the date of
8 enactment of this section.

9 **Subtitle B—Mining Provisions**

10 **SEC. 311. DEFINITIONS.**

11 For purposes of subtitle:

12 (1) The term “locatable mineral” means any
13 mineral not subject to disposition under any of the
14 following:

15 (A) The Mineral Leasing Act (30 U.S.C.
16 181 et seq.).

17 (B) The Geothermal Steam Act of 1970
18 (30 U.S.C. 100 et seq.).

19 (C) The Act of July 31, 1947, commonly
20 known as the Materials Act of 1947 (30 U.S.C.
21 601 et seq.).

22 (D) The Mineral Leasing for Acquired
23 Lands Act (30 U.S.C. 351 et seq.).

24 (2) The term “mineral activities” means any
25 activity for, related to or incidental to mineral explo-
26 ration, mining, beneficiation and processing activi-

1 ties for any locatable mineral, including access.

2 When used with respect to this term:

3 (A) The term “exploration” means those
4 techniques employed to locate the presence of a
5 locatable mineral deposit and to establish its
6 nature, position, size, shape, grade and value.

7 (B) The term “mining” means the proc-
8 esses employed for the extraction of a locatable
9 mineral from the earth.

10 (C) The term “beneficiation” means the
11 crushing and grinding of locatable mineral ore
12 and such processes as are employed to free the
13 mineral from other constituents, including but
14 not necessarily limited to, physical and chemical
15 separation techniques.

16 (D) The term “processing” means proc-
17 esses downstream of beneficiation employed to
18 prepare locatable mineral ore into the final
19 marketable product, including but not limited
20 to, smelting and electrolytic refining.

21 (3) The term “mining claim” means a claim for
22 the purposes of mineral activities.

23 (4) The term “net smelter return” shall have
24 the same meaning as the term defined in section
25 613(c)(1) of the Internal Revenue Code.

1 (5) The term “Secretary” means the Secretary
2 of the Interior acting through the Director of the
3 Minerals Management Service.

4 (6) The term “substantial underreporting”
5 means the difference between the royalty on the
6 value of the production which should have been re-
7 ported and the royalty on the value of the produc-
8 tion which was reported, if the value which should
9 have been reported is greater than the value which
10 was reported. An underreporting constitutes a “sub-
11 stantial underreporting” if such difference exceeds
12 10 percent of the royalty on the value of production
13 which should have been reported.

14 **SEC. 312. ROYALTIES.**

15 (a) RESERVATION OF ROYALTY.—Production of all
16 locatable minerals from any mining claim located or con-
17 verted under the general mining laws, or mineral con-
18 centrates or products derived from locatable minerals from
19 any mining claim located or converted under the general
20 mining laws, as the case may be, shall be subject to a
21 royalty of 8 percent of the net smelter return from such
22 production. The claim holder and any operator to whom
23 the claim holder has assigned the obligation to make roy-
24 alty payments under the claim and any person who con-

1 trols such claim holder or operator shall be jointly and
2 severally liable for payment of such royalties.

3 (b) DUTIES OF CLAIM HOLDERS, OPERATORS, AND
4 TRANSPORTERS.—(1) A person—

5 (A) who is required to make any royalty pay-
6 ment under this section shall make such payments
7 to the United States at such times and in such man-
8 ner as the Secretary may by rule prescribe; and

9 (B) shall notify the Secretary, in the time and
10 manner as may be specified by the Secretary, of any
11 assignment that such person may have made of the
12 obligation to make any royalty or other payment
13 under a mining claim.

14 (2) Any person paying royalties under this section
15 shall file a written instrument, together with the first roy-
16 alty payment, affirming that such person is liable to the
17 Secretary for making proper payments for all amounts due
18 for all time periods for which such person as a payment
19 responsibility. Such liability for the period referred to in
20 the preceding sentence shall include any and all additional
21 amounts billed by the Secretary and determined to be due
22 by final agency or judicial action. Any person liable for
23 royalty payments under this section who assigns any pay-
24 ment obligation shall remain jointly and severally liable
25 for all royalty payments due for the claim for the period.

1 (3) A person conducting mineral activities shall—

2 (A) develop and comply with the site security
3 provisions in operations permit designed to protect
4 from theft the locatable minerals, concentrates or
5 products derived therefrom which are produced or
6 stored on a mining claim, and such provisions shall
7 conform with such minimum standards as the Sec-
8 retary may prescribe by rule, taking into account the
9 variety of circumstances on mining claims; and

10 (B) not later than the 5th business day after
11 production begins anywhere on a mining claim, or
12 production resumes after more than 90 days after
13 production was suspended, notify the Secretary, in
14 the manner prescribed by the Secretary, of the date
15 on which such production has begun or resumed.

16 (4) The Secretary may by rule require any person en-
17 gaged in transporting a locatable mineral, concentrate, or
18 product derived therefrom to carry on his or her person,
19 in his or her vehicle, or in his or her immediate control,
20 documentation showing, at a minimum, the amount, ori-
21 gin, and intended destination of the locatable mineral, con-
22 centrate, or product derived therefrom in such cir-
23 cumstances as the Secretary determines is appropriate.

24 (c) RECORDKEEPING AND REPORTING REQUIRE-
25 MENTS.—(1) A claim holder, operator, or other person di-

1 rectly involved in developing, producing, processing, trans-
2 porting, purchasing, or selling locatable minerals, con-
3 centrates, or products derived therefrom, subject to this
4 Act, through the point of royalty computation shall estab-
5 lish and maintain any records, make any reports, and pro-
6 vide any information that the Secretary may reasonably
7 require for the purposes of implementing this section or
8 determining compliance with rules or orders under this
9 section. Such records shall include, but not be limited to,
10 periodic reports, records, documents, and other data. Such
11 reports may also include, but not be limited to, pertinent
12 technical and financial data relating to the quantity, qual-
13 ity, composition volume, weight, and assay of all minerals
14 extracted from the mining claim. Upon the request of any
15 officer or employee duly designated by the Secretary or
16 any State conducting an audit or investigation pursuant
17 to this section, the appropriate records, reports, or infor-
18 mation which may be required by this section shall be
19 made available for inspection and duplication by such offi-
20 cer or employee or State.

21 (2) Records required by the Secretary under this sec-
22 tion shall be maintained for 6 years after cessation of all
23 mining activity at the claim concerned unless the Sec-
24 retary notifies the operator that he or she has initiated
25 an audit or investigation involving such records and that

1 such records must be maintained for a longer period. In
2 any case when an audit or investigation is underway,
3 records shall be maintained until the Secretary releases
4 the operator of the obligation to maintain such records.

5 (d) AUDITS.—The Secretary is authorized to conduct
6 such audits of all claim holders, operators, transporters,
7 purchasers, processors, or other persons directly or indi-
8 rectly involved in the production or sales of minerals cov-
9 ered by this Act, as the Secretary deems necessary for the
10 purposes of ensuring compliance with the requirements of
11 this section. For purposes of performing such audits, the
12 Secretary shall, at reasonable times and upon request,
13 have access to, and may copy, all books, papers and other
14 documents that relate to compliance with any provision
15 of this section by any person.

16 (e) COOPERATIVE AGREEMENTS.—(1) The Secretary
17 is authorized to enter into cooperative agreements with the
18 Secretary of Agriculture to share information concerning
19 the royalty management of locatable minerals, con-
20 centrates, or products derived therefrom, to carry out in-
21 spection, auditing, investigation, or enforcement (not in-
22 cluding the collection of royalties, civil or criminal pen-
23 alties, or other payments) activities under this section in
24 cooperation with the Secretary, and to carry out any other
25 activity described in this section.

1 (2) Except as provided in paragraph (4)(A) of this
2 subsection (relating to trade secrets), and pursuant to a
3 cooperative agreement, the Secretary of Agriculture shall,
4 upon request, have access to all royalty accounting infor-
5 mation in the possession of the Secretary respecting the
6 production, removal, or sale of locatable minerals, con-
7 centrates, or products derived therefrom from claims on
8 lands open to location under the general mining laws.

9 (3) Trade secrets, proprietary, and other confidential
10 information shall be made available by the Secretary pur-
11 suant to a cooperative agreement under this subsection to
12 the Secretary of Agriculture upon request only if—

13 (A) the Secretary of Agriculture consents in
14 writing to restrict the dissemination of the informa-
15 tion to those who are directly involved in an audit
16 or investigation under this section and who have a
17 need to know;

18 (B) the Secretary of Agriculture accepts liabil-
19 ity for wrongful disclosure; and

20 (C) the Secretary of Agriculture demonstrates
21 that such information is essential to the conduct of
22 an audit or investigation under this subsection.

23 (f) INTEREST AND SUBSTANTIAL UNDERREPORTING
24 ASSESSMENTS.—(1) In the case of mining claims where
25 royalty payments are not received by the Secretary on the

1 date that such payments are due, the Secretary shall
2 charge interest on such underpayments at the same inter-
3 est rate as is applicable under section 6621(a)(2) of the
4 Internal Revenue Code of 1986. In the case of an under-
5 payment, interest shall be computed and charged only on
6 the amount of the deficiency and not on the total amount.

7 (2) If there is any underreporting of royalty owed on
8 production from a claim for any production month by any
9 person liable for royalty payments under this section, the
10 Secretary may assess a penalty of 10 percent of the
11 amount of that underreporting.

12 (3) If there is a substantial underreporting of royalty
13 owed on production from a claim for any production
14 month by any person responsible for paying the royalty,
15 the Secretary may assess a penalty of 10 percent of the
16 amount of that underreporting.

17 (4) The Secretary shall not impose the assessment
18 provided in paragraph (2) or (3) of this subsection if the
19 person liable for royalty payments under this section cor-
20 rects the underreporting before the date such person re-
21 ceives notice from the Secretary that an underreporting
22 may have occurred, or before 90 days after the date of
23 the enactment of this section, whichever is later.

24 (5) The Secretary shall waive any portion of an as-
25 sessment under paragraph (2) or (3) of this subsection

1 attributable to that portion of the underreporting for
2 which the person responsible for paying the royalty dem-
3 onstrates that—

4 (A) such person had written authorization from
5 the Secretary to report royalty on the value of the
6 production on basis on which it was reported;

7 (B) such person had substantial authority for
8 reporting royalty on the value of the production on
9 the basis on which it was reported;

10 (C) such person previously had notified the Sec-
11 retary, in such manner as the Secretary may by rule
12 prescribe, of relevant reasons or facts affecting the
13 royalty treatment of specific production which led to
14 the underreporting; or

15 (D) such person meets any other exception
16 which the Secretary may, by rule, establish.

17 (6) All penalties collected under this subsection shall
18 be deposited in the Treasury.

19 (g) EXPANDED ROYALTY OBLIGATIONS.—Each per-
20 son liable for royalty payments under this section shall
21 be jointly and severally liable for royalty on all locatable
22 minerals, concentrates, or products derived therefrom lost
23 or wasted from a mining claim located or converted under
24 this section when such loss or waste is due to negligence
25 on the part of any person or due to the failure to comply

1 with any rule, regulation, or order issued under this sec-
2 tion.

3 (h) EXCEPTION.—No royalty shall be payable under
4 subsection (a) with respect to minerals processed at a fa-
5 cility by the same person or entity which extracted the
6 minerals if an urban development action grant has been
7 made under section 119 of the Housing and Community
8 Development Act of 1974 with respect to any portion of
9 such facility.

10 (i) EFFECTIVE DATE.—The royalty under this sec-
11 tion shall take effect with respect to the production of
12 locatable minerals after the enactment of this Act, but any
13 royalty payments attributable to production during the
14 first 12 calendar months after the enactment of this sec-
15 tion shall be payable at the expiration of such 12-month
16 period.

17 **SEC. 313. LIMITATION ON PATENT ISSUANCE.**

18 (a) MINING CLAIMS.—After September 27, 2000, no
19 patent shall be issued by the United States for any mining
20 claim located under the general mining laws or under this
21 Act unless the Secretary determines that, for the claim
22 concerned—

23 (1) a patent application was filed with the Sec-
24 retary on or before September 27, 2000; and

1 (2) all requirements established under sections
2 2325 and 2326 of the Revised Statutes (30 U.S.C.
3 29 and 30) for vein or lode claims and sections
4 2329, 2330, 2331, and 2333 of the Revised Statutes
5 (30 U.S.C. 35, 36, and 37) for placer claims were
6 fully complied with by that date.

7 If the Secretary makes the determinations referred to in
8 paragraphs (1) and (2) for any mining claim, the holder
9 of the claim shall be entitled to the issuance of a patent
10 in the same manner and degree to which such claim holder
11 would have been entitled to prior to the enactment of this
12 Act, unless and until such determinations are withdrawn
13 or invalidated by the Secretary or by a court of the United
14 States.

15 (b) MILL SITES.—After September 27, 2000, no pat-
16 ent shall be issued by the United States for any mill site
17 claim located under the general mining laws unless the
18 Secretary determines that for the mill site concerned—

19 (1) a patent application for such land was filed
20 with the Secretary on or before September 27, 2000;
21 and

22 (2) all requirements applicable to such patent
23 application were fully complied with by that date.

24 If the Secretary makes the determinations referred to in
25 paragraphs (1) and (2) for any mill site claim, the holder

1 of the claim shall be entitled to the issuance of a patent
2 in the same manner and degree to which such claim holder
3 would have been entitled to prior to the enactment of this
4 section, unless and until such determinations are with-
5 drawn or invalidated by the Secretary or by a court of
6 the United States.

7 **SEC. 314. MINING CLAIM MAINTENANCE REQUIREMENTS.**

8 (a) IN GENERAL.—(1) The holder of each mining
9 claim converted under the general mining laws shall pay
10 to the Secretary an annual claim maintenance fee of \$100
11 per claim.

12 (2) The holder of each mining claim located pursuant
13 to the general mining laws shall pay to the Secretary an
14 annual claim maintenance fee of \$200 per claim.

15 (b) TIME OF PAYMENT.—The claim maintenance fee
16 payable pursuant to subsection (a) for any year shall be
17 paid on or before August 31 of each year, except that in
18 the case of claims referred to in subsection (a)(2), for the
19 initial calendar year in which the location is made, the
20 locator shall pay the initial claim maintenance fee at the
21 time the location notice is recorded with the Bureau of
22 Land Management.

23 (c) OIL SHALE CLAIMS SUBJECT TO CLAIM MAINTENANCE FEES UNDER ENERGY POLICY ACT OF 1992.—
24
25 This section shall not apply to any oil shale claims for

1 which a fee is required to be paid under section 2511(e)(2)
2 of the Energy Policy Act of 1992 (Public Law 102–486;
3 106 Stat. 3111; 30 U.S.C. 242).

4 (d) CLAIM MAINTENANCE FEES PAYABLE UNDER
5 1993 ACT.—The claim maintenance fees payable under
6 this section for any period with respect to any claim shall
7 be reduced by the amount of the claim maintenance fees
8 paid under section 10101 of the Omnibus Budget Rec-
9 onciliation Act of 1993 with respect to that claim and with
10 respect to the same period.

11 (e) WAIVER.—(1) The claim maintenance fee re-
12 quired under this section may be waived for a claim holder
13 who certifies in writing to the Secretary that on the date
14 the payment was due, the claim holder and all related par-
15 ties held not more than 10 mining claims on lands open
16 to location. Such certification shall be made on or before
17 the date on which payment is due.

18 (2) For purposes of paragraph (1), with respect to
19 any claim holder, the term “related party” means each
20 of the following:

21 (A) The spouse and dependent children (as de-
22 fined in section 152 of the Internal Revenue Code of
23 1986), of the claim holder.

24 (B) Any affiliate of the claim holder.

1 (f) CO-OWNERSHIP.—Upon the failure of any one or
2 more of several co-owners to contribute such co-owner or
3 owners' portion of the fee under this section, any co-owner
4 who has paid such fee may, after the payment due date,
5 give the delinquent co-owner or owners notice of such fail-
6 ure in writing (or by publication in the newspaper nearest
7 the claim for at least once a week for at least 90 days).
8 If at the expiration of 90 days after such notice in writing
9 or by publication, any delinquent co-owner fails or refuses
10 to contribute his portion, his interest in the claim shall
11 become the property of the co-owners who have paid the
12 required fee.

13 (g) CREDIT AGAINST ROYALTY.—The amount of the
14 annual claim maintenance fee required to be paid under
15 this section for any claim for any period shall be credited
16 against the amount of royalty required to be paid under
17 section 312 for the same period with respect to that claim.

18 (h) PURCHASING POWER ADJUSTMENT.—The Sec-
19 retary shall adjust all dollar amounts established in this
20 section for changes in the purchasing power of the dollar
21 every 10 years following the date of enactment of this sec-
22 tion, employing the Consumer Price Index for all urban
23 consumers published by the Department of Labor as the
24 basis for adjustment, and rounding according to the ad-

1 justment process of conditions of the Federal Civil Pen-
 2 alties Inflation Adjustment Act of 1990 (104 Stat. 890).

3 **SEC. 315. SAVINGS CLAUSE.**

4 Nothing in sections 312, 313, or 314 shall be con-
 5 strued as repealing or modifying any Federal law, regula-
 6 tion, order, or land use plan, in effect prior to the effective
 7 date of such section, that prohibits or restricts the applica-
 8 tion of the general mining laws, including such laws that
 9 provide for special management criteria for operations
 10 under the general mining laws as in effect prior to the
 11 effective date of such section, to the extent such laws pro-
 12 vide environmental protection greater than required under
 13 the general mining laws.

14 **TITLE IV—AMENDMENTS OF IN-**
 15 **TERNAL REVENUE CODE OF**
 16 **1986**

17 **SEC. 401. REPEAL OF EXCLUSION OF CERTAIN INCOME OF**
 18 **FOREIGN SALES CORPORATIONS.**

19 (a) IN GENERAL.—Section 921 of the Internal Rev-
 20 enue Code of 1986 (relating to exempt foreign trade in-
 21 come excluded from gross income) is amended by adding
 22 at the end the following new subsection:

23 “(e) TERMINATION.—This subpart shall not apply to
 24 any taxable year beginning after December 31, 2000.”

1 (b) EFFECTIVE DATE.—The amendment made by
 2 this section shall apply to taxable years beginning after
 3 December 31, 2000.

4 **SEC. 402. DENIAL OF DEDUCTION FOR PAYMENTS OF EX-**
 5 **CESSIVE COMPENSATION.**

6 (a) IN GENERAL.—Section 162 of the Internal Rev-
 7 enue Code of 1986 (relating to deduction for trade or busi-
 8 ness expenses) is amended by inserting after subsection
 9 (h) the following new subsection:

10 “(i) EXCESSIVE COMPENSATION.—

11 “(1) IN GENERAL.—No deduction shall be al-
 12 lowed under this chapter for any excessive com-
 13 pensation with respect to any full-time employee.

14 “(2) EXCESSIVE COMPENSATION.—For pur-
 15 poses of this subsection, the term ‘excessive com-
 16 pensation’ means, with respect to any employee, the
 17 amount by which—

18 “(A) the compensation for services per-
 19 formed by such employee during the taxable
 20 year, exceeds

21 “(B) an amount equal to 25 times the low-
 22 est compensation for services performed by any
 23 other full-time employee during such taxable
 24 year.

1 “(3) DEFINITIONS AND SPECIAL RULES.—For
2 purposes of this subsection—

3 “(A) COMPENSATION.—

4 “(i) IN GENERAL.—The term ‘com-
5 pensation’ means salary, wages, and bo-
6 nuses.

7 “(ii) PART-YEAR EMPLOYEES.—In the
8 case of any part-year employee, the com-
9 pensation of the employee shall be com-
10 puted on an annualized basis.

11 “(B) EMPLOYER.—All persons treated as a
12 single employer under subsection (a) or (b) of
13 section 52 or subsection (m) or (o) of section
14 414 shall be treated as 1 employer.”

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to taxable years beginning after
17 the date of the enactment of this Act.

18 **SEC. 403. DISALLOWANCE OF DEDUCTIONS FOR ADVER-**
19 **TISING AND PROMOTIONAL EXPENSES RE-**
20 **LATING TO TOBACCO PRODUCT USE.**

21 (a) IN GENERAL.—Part IX of subchapter B of chap-
22 ter 1 of subtitle A of the Internal Revenue Code of 1986
23 (relating to items not deductible) is amended by adding
24 at the end the following new section:

1 **“SEC. 280I. DISALLOWANCE OF DEDUCTION FOR TOBACCO**
 2 **ADVERTISING AND PROMOTIONAL EX-**
 3 **PENSES.**

4 No deduction shall be allowed under this chapter for
 5 expenses relating to advertising or promoting cigars, ciga-
 6 rettes, smokeless tobacco, pipe tobacco, or any similar to-
 7 bacco product. For purposes of this section, any term used
 8 in this section which is also used in section 5702 shall
 9 have the same meaning given such term by section 5702.”

10 (b) CONFORMING AMENDMENT.—The table of sec-
 11 tions for such part IX is amended by adding after the
 12 item relating to section 280H the following new item:

“Sec. 280I. Disallowance of deduction for tobacco advertising
 and promotion expenses.”

13 (c) EFFECTIVE DATE.—The amendments made by
 14 this section shall apply to taxable years ending after De-
 15 cember 31, 2000.

16 **SEC. 404. SOURCE OF INCOME FROM CERTAIN SALES OF IN-**
 17 **VENTORY PROPERTY.**

18 (a) GENERAL RULE.—Subsection (b) of section 865
 19 of the Internal Revenue Code of 1986 (relating to excep-
 20 tion for inventory property) is amended to read as follows:

21 “(b) EXCEPTION FOR INVENTORY PROPERTY.—

22 “(1) IN GENERAL.—Except as otherwise pro-
 23 vided in this subsection, income derived from the
 24 sale of inventory property shall be sourced under the

1 rules of sections 861(a)(6), 862(a)(6), and 863 and
2 this section shall not apply.

3 “(2) TREATMENT OF CERTAIN SALES TO RE-
4 LATED PERSONS.—

5 “(A) IN GENERAL.—If any inventory prop-
6 erty produced (in whole or in part) by the tax-
7 payer is sold by the taxpayer (directly or indi-
8 rectly) to a related person—

9 “(i) the portion determined under
10 subparagraph (B) of the income from such
11 sale shall be sourced in the United States
12 or outside the United States depending on
13 where the production activities occur, and

14 “(ii) the remaining portion of such in-
15 come shall be sourced under the rules of
16 sections 861(a)(6), 862(a)(6), and 863.

17 “(B) AMOUNT APPORTIONED TO PRODUC-
18 TION ACTIVITIES.—For purposes of subpara-
19 graph (A), the portion determined under this
20 subparagraph is so much of the income from
21 the sale as does not exceed the greater of—

22 “(i) the portion of such income appor-
23 tioned to production activities under sec-
24 tion 863(b), or

1 “(ii) the portion of the combined in-
2 come of the taxpayer and related person
3 attributable to such property which would
4 have been apportioned to production activi-
5 ties under section 863(b) if such taxpayer
6 and related person were one taxpayer.

7 “(C) RELATED PERSON.—For purposes of
8 this paragraph, the term ‘related person’ means
9 any person related (within the meaning of sec-
10 tion 482) to the taxpayer.

11 “(3) CERTAIN SALES FOR USE IN UNITED
12 STATES.—If—

13 “(A) a United States resident sells (di-
14 rectly or indirectly) inventory property to an-
15 other United States resident for use, consump-
16 tion, or disposition in the United States, and

17 “(B) such sale is not attributable to an of-
18 fice or other fixed place of business maintained
19 by such United States resident outside the
20 United States,

21 any income of such United States resident (or any
22 related person) from such sale shall be sourced in
23 the United States.”

1 (b) EFFECTIVE DATE.—The amendment made by
 2 subsection (a) shall apply to sales after December 31,
 3 2000.

4 **TITLE V—MISCELLANEOUS PRO-**
 5 **VISIONS TO REDUCE WASTE-**
 6 **FUL AND INEFFICIENT**
 7 **SPENDING**

8 **SEC. 501. INTERNATIONAL SPACE STATION.**

9 The National Aeronautics and Space Administration
 10 shall not obligate any further funding for the International
 11 Space Station.

12 **SEC. 502. OVERSEAS PRIVATE INVESTMENT CORPORATION.**

13 (a) PROHIBITION ON NEW CONTRACTS.—The Over-
 14 seas Private Investment Corporation may not, on or after
 15 the date of enactment of this Act, issue any contract of
 16 insurance or reinsurance, or any guaranty, or enter into
 17 any agreement to provide financing.

18 (b) EXISTING CONTRACTS.—Subsection (a) does not
 19 require the termination of any contract or other agreement
 20 entered into before the date of enactment of this Act.

21 **SEC. 503. PROHIBITION ON PROVISION OF NEW CREDIT BY**
 22 **THE EXPORT-IMPORT BANK OF THE UNITED**
 23 **STATES.**

24 Notwithstanding any other provision of law, the Ex-
 25 port-Import Bank of the United States may not, on or

1 after the date of the enactment of this Act, provide any
2 guarantee, insurance, or extension of credit, or participate
3 in any extension of credit, except pursuant to a commit-
4 ment made by the Export-Import Bank of the United
5 States before such date of enactment.

6 **SEC. 504. TRADE AND DEVELOPMENT AGENCY.**

7 (a) **TERMINATION OF AGENCY.**—Effective on the
8 date of enactment of this Act, the Trade and Development
9 Agency is abolished.

10 (b) **ADMINISTRATION OF EXISTING OBLIGATIONS.**—
11 The Secretary of State shall carry out the functions per-
12 formed on the day before the date of enactment of this
13 Act by the Trade and Development Agency only for pur-
14 poses of administering contracts or agreements issued or
15 entered into by the Trade and Development Agency before
16 the date of enactment of this Act that are effective on
17 such date of enactment. Such functions shall terminate
18 when all such contracts and agreements expire.

19 (c) **TERMINATION OF PROVISIONS.**—Section 661 of
20 the Foreign Assistance Act of 1961 (22 U.S.C. 2191 and
21 following) is repealed, effective on the date of enactment
22 of this Act, except that such section shall continue in ef-
23 fect with respect to the functions performed by the Sec-
24 retary of State under subsection (b).

1 (d) TERMINATION OF AFFAIRS.—The Director of the
2 Office of Management and Budget shall take the nec-
3 essary steps to terminate the affairs of the Trade and De-
4 velopment Agency.

5 (e) APPROPRIATIONS.—Funds available to the Trade
6 and Development Agency shall, on the date of enactment
7 of this Act, be transferred to the Secretary of State for
8 use in performing the functions of the Trade and Develop-
9 ment Agency under subsection (b). Upon the expiration
10 of the contracts and agreements with respect to which the
11 Secretary of State is exercising such functions, any unex-
12 pended balances of the funds transferred under this sub-
13 section shall be deposited in the Treasury as miscellaneous
14 receipts.

15 **SEC. 505. UNITED STATES INTERNATIONAL BROAD-**
16 **CASTING.**

17 (a) TERMINATION OF BROADCASTING TO CUBA.—Ef-
18 fective October 1, 2001, the Television Broadcasting to
19 Cuba Act (22 U.S.C. 1465aa and following) and the Radio
20 Broadcasting to Cuba Act (22 U.S.C. 1465 and following)
21 are repealed.

22 (b) AUTHORIZATIONS OF APPROPRIATIONS FOR
23 INTERNATIONAL BROADCASTING OPERATIONS.—For
24 “International Broadcasting Operations” (including Radio
25 Free Europe/Radio Liberty, Voice of America, and Radio

1 Free Asia), there are authorized to be appropriated
2 \$196,800,000, for the fiscal year 2002, .

3 (c) AUTHORIZATION OF APPROPRIATIONS FOR RADIO
4 FREE ASIA.—For “Radio Free Asia”, there are author-
5 ized to be appropriated \$15,000,000, for the fiscal year
6 2002, .

7 **SEC. 506. JOINT PROCUREMENT OF PHARMACEUTICALS BY**
8 **THE DEPARTMENT OF DEFENSE AND THE DE-**
9 **PARTMENT OF VETERANS AFFAIRS.**

10 The Secretary of Defense and the Secretary of Vet-
11 erans Affairs shall—

12 (1) establish a joint office for the procurement
13 of pharmaceuticals for the Department of Defense
14 and the Department of Veterans Affairs; and

15 (2) jointly develop and implement a common
16 clinically-based formulary for the pharmaceutical
17 programs of the Department of Defense and the De-
18 partment of Veterans Affairs.

○